

**How Policy Agendas Change When Autocracies Liberalize:
The Case of Hong Kong, 1975-2016**

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Abstract

This article considers how autocrats decide to expand or narrow the issue diversity of their policy agenda during a period of political liberalization. Prior studies have two competing perspectives. First, political liberalization increases the social and political freedom that enhances information exchange, and thus expands issue diversity. Second, political liberalization decreases government's control of the legislature and thus narrows the issue diversity. This article offers a novel theoretical perspective by combining these two countervailing theories. It predicts a diminishing marginal benefit of information exchange and an increasing marginal bargaining cost. As such, this article argues that issue diversity follows a negative quadratic (inverted-U) relationship as the regimes liberalize. The analysis of a new and unique dataset of Hong Kong's legislative agenda (1975 to 2016) offers support for this theory. This study contributes to our knowledge of policymaking in authoritarian regimes and the theory of information processing.

Keywords: policy agendas, issue diversity, political liberalization, authoritarian regimes, Hong Kong politics

Introduction

Different policy issues compete with each other and are at the heart of the study of the policymaking processes (Bevan, 2015; Greene, 2016; Jennings et al., 2011; John & Margetts, 2003). Competition between issues inundates policymakers with a vast amount of information. Different political actors advocate different policy concerns and problems from a wide range of issues such as the economy, trades, labour, public services, crime, transportation, welfare, education, and health. The overwhelming information requires policymakers to decide what to pay attention to and what to ignore (Chan & Lam, 2018; Jones, 2001; Jones & Baumgartner, 2005; Walgrave & Dejaeghere, 2017). If the policymakers pay no attention to a certain piece of information, policy change cannot take place (Baumgartner, Jones, & Wilkerson, 2011, pp. 948–9). Therefore, understanding the allocation of attention has a profound implication on policy change.

This study examines issue diversity of the policy agenda—the concentration of policymakers’ attention across different policy issues. It looks at a portfolio of policy issues rather than a single or a few issues. The allocation of attention to issues are not independent; paying more attention to one issue would inevitably mean less to another (Zhu, 1992). The study of issue diversity of the policy agenda can capture the interdependence of policy attention (True, Jones, & Baumgartner, 2007).

Most related works focusing on advanced democracies suggests that the electoral process has a vital role in shaping the political attention (Jennings et al., 2011; Greene, 2016; Green-Pedersen & Mortensen, 2010). They do not consider, however, the possible effect of political liberalization on issue diversity of the policy agenda. This paper considers how autocrats decide

to expand or narrow their focus on policy issues in their finite policy portfolio. Theorizing and examining how issues compete in authoritarian regimes when regimes liberalize provide an opportunity to understand the effect of institutional change and political parties in the policy agenda debate.

Following Dahl's classic work *Polyarchy* (1973), political liberalization is defined as more inclusive and competitive elections (see also Coppedge, Alvarez, & Maldonado, 2008). Political liberalization leads autocrats to have less control and political advantage over political affairs. The process of political liberalization injects the systems with more democratic elements such as the right to elect and the right to be elected. In more inclusive and competitive elections, candidates that do not belong to the governing party can participate in the electoral process and have a chance to enter the legislature through electoral campaigns. Candidates thus have more freedom to organize and form a political party so that they can have more political capital (Wahman, 2011) and have greater chance to defeat the autocrats (Levitsky & Way, 2010). An implication of the process of political liberalization, defined as more inclusive and competitive elections, is that it increases the number of political parties and changes the partisan composition of the legislature—moving the authoritarian regimes away from the common one-party system or one-party dominant system. As such, it changes the party system and power distribution of the political system and alters the policymaking processes.

To understand the effect of political liberalization on issue diversity of the policy agenda, this paper offers a hybrid model by combining the insights of the contradicting bargaining and information exchange perspectives on policy processes. These two perspectives are distinct proponents developed in advanced democracies that explain how the changes in the composition of the legislature affect the policy processes. The bargaining perspective, informed by the veto

player, political gridlock and logrolling literature, asserts that a greater number of political parties increases the costs of policymaking (de Marchi & Laver, forthcoming; Mayhew, 1991; Tsebelis, 2002). A greater number of political parties becomes an obstacle to the policymaking processes. It becomes more difficult to coordinate and secure consensus. In this way, a higher bargaining cost reduces the total number of policies. The entire agenda space thus shrinks, and issue diversity of the policy agenda also diminishes. Whereas, the information exchange process, informed by the issue competition literature, suggests that political parties provide policy-relevant information, expand policymakers' political attention and result in a greater issue diversity of the policy agenda, meaning that policymakers become more attentive to policy issues from broader policy topics (Greene, 2016; Green-Pedersen & Mortensen, 2010). These two perspectives, however, yield opposite and unresolved theoretical expectations.

Following Walgrave and Varone (2008), the hybrid model of issue diversity of the policy agenda treats political parties as the key actors in the policy process. It argues that the electoral systems and the corresponding changes in the partisan composition of the legislature are both the source of bargaining and source of information exchange. It asserts that, as regimes liberalize, a greater number of political parties provide a diminishing marginal benefit of information exchange but also incurs an increasing marginal bargaining cost. As such, the hybrid model of these two countervailing processes expects that the two effects cancel each other when reaching a maximum equilibrium point, and thus results in a negative quadratic (inverted-U) relationship between the number of political parties and issue diversity of the policy agenda. Although the focus of this article is autocracies, the model is developed by combining theories in democracies as well as autocracies. It thus has an important implication on the wider study of comparative public policy.

Obviously, political parties are not the only political actors that influence how the government allocates its political attention across policy issues. Extant research shows that different political actors such as bureaucrats (Chan & Lam, 2018) and the court (Owens, 2010) have an impact on the policy processes. In particular, when regimes liberalize, interest groups (Bunea & Thomson, 2015) and civil society (Zhan & Tang, 2013) could have substantial influences on policy change should they become more vocal. Moreover, different actors of different sectors (e.g., the governing party and business elites or the opposition party and civil society) can form a stronger network to influence the policy processes (Wahman, 2011). Still, some research focuses only on the effect of political parties on policy change (König, Tsebelis, & Debus, 2010). More importantly, many of the social demands from the interest groups and civil society create social cleavages. These social cleavages are reflected in the electoral arena that determines the number of political parties in the legislature (Ferrara, 2011). Therefore, it is theoretically interesting to focus on the influence of political parties and examine how it changes issue diversity of the policy agenda.

To test the effect of political parties during a period of political liberalization, this article analyses a novel and unique dataset from an undemocratic but transitioning system: the legislative bills of the Hong Kong Legislative Council (LegCo) between 1975 and 2016. Hong Kong's unique path of prolonged democratization offers a valuable opportunity to observe the effect of political liberalization and partisan composition of the legislature on issue diversity of the policy agenda. The result shows a negative quadratic pattern between the number of political parties and issue diversity of the policy agenda and thus provides rigorous support to the hybrid model.

To further illustrate the above ideas and finding, this article is structured as follows. First, it presents different theories of issue diversity of the policy agenda based on the partisan composition of the legislature. Then, it generates a hypothesis of the effect of political liberalization on issue diversity of the policy agenda. Next, to test the hypothesis, it undertakes a time-series analysis of the issue diversity of the legislative agenda in Hong Kong and evaluates to what extent the empirical evidence supports different theoretical expectations.

Models on issue diversity of the policy agenda

Prior studies show two countervailing processes on how different partisan composition of legislature affects issue diversity of the policy agenda, namely, the bargaining cost and information exchange. This section discusses a novel theoretical perspective that combines the insights of these two processes and presents the observable implication.

Bargaining process

Policymaking is a bargaining process that involves the compromise and the trade of political interests (de Marchi & Laver, forthcoming; Eguia & Shepsle, 2015; Tsebelis, 2002). The change in rules and ideological positions would change bargaining costs and thus the policy outcome. Bargaining process, as informed by the veto player, political gridlock and logrolling literature, states that a greater number of political parties increases bargaining costs of policymaking and thus it is harder to produce more laws. As such, a lower number of laws reduces issue diversity of the policy agenda.

The selectorate theory asserts that autocrats have to pay attention to a small group of selectorate only (Bueno de Mesquita, Smith, Siverson, & Morrow, 2003; Manion, 2017).

Although disagreements could exist among the selectorate (Miners, 1994), their ideological positions are more homogenous than the wider public. Similar to many previous works, this study assumes selectorates as homogenous. As such, the bargaining process of the policymaking in authoritarian regimes is smooth and easy (Truex, 2014).

The process of political liberalization in authoritarian regimes increases the size of the selectorate. It is because the introduction of more inclusive and competitive elections allows more people to be elected and compete in the electoral process (Dahl, 1973). As such, it requires a more considerable effort to reach a consensus between actors with different political motives, stances, ideas, and interests (Eguia & Shepsle, 2015; König et al., 2010). It thus increases bargaining costs for policymaking. Although autocrats usually possess more resources and thus have more advantage in mobilization (Svolik, 2012; Wong, 2014), more inclusive and competitive elections also increase the likelihood that political opposition and political parties with wider socio-economic backgrounds will be elected to the legislature. Each of these political parties, because of their diverse backgrounds, possesses different knowledge, ideas, and political stances. To deal with the inundating information, the government is thus required to spend more time and effort to sort and filter out the diverse information in their formulation of public policy (Baumgartner & Jones, 2015).

Through more inclusive and competitive elections, political parties with diverse political and socio-economic backgrounds make it more difficult to adjudicate multiple competing interests. This increases the level of institutional friction (Jones & Baumgartner, 2005) and the system is more prone to political gridlock (Baumgartner, Brouard, Grossman, Lazardeux, & Moody, 2013), though it may not affect important legislation (Adler & Wilkerson, 2012). For instance, the veto player theory (Cox & McCubbins, 2005; Tsebelis, 2002) dictates that more

political parties in the legislature increase the total number of veto points, if their policy positions are very different in multiple policy domains. In effect, more veto points reduce the likelihood of the passage of a legislative bill. Alternatively, a greater number of political parties with diverse interests and policy positions create more opportunities for logrolling (or policy trades) (de Marchi & Laver, forthcoming; Greene & Jensen, 2018). Political parties bargain with each other and trade their votes for less salient issues with other parties, so that they can gather enough support to get their most salient policies passed. However, searching for an optimal position in a logrolling process requires “huge cognitive and informational challenges to negotiators” (de Marchi & Laver, forthcoming, p. 41) and it delays the policy process. As such, increased opportunities for policy trades increase bargaining costs. Thus, various theories seem to suggest that, when a regime liberalizes, the diverse political stances and socio-economic backgrounds of the legislature increases bargaining costs. It inevitably deters autocrats from producing more policies.

As agenda space and policy outputs are more constrained, autocrats have less room to adjust their policy portfolio. As a result, they have to focus on fewer policy issues and thus issue diversity of the policy agenda shrinks. In brief, a greater number of political parties increases bargaining costs, and therefore the government will find it more difficult to produce more policies to address a wider variety of issues.

Information exchange process

Information is valuable for policymaking (Alexander, Lewis, & Considine, 2011). The diversity of information matters to good policy outcomes because diversity leads to different competing and debatable perspectives (Schattschneider, 1960), through which a more competitive and convincing solution is more likely to be adopted to drive the society forward

(Page, 2008). The information exchange process states that a greater number of political parties provide more information for policymaking and thus it increases issue diversity of the policy agenda in liberalizing authoritarian regimes.

Compared to democracies, autocrats have far less access to information due to the systematic constraints of their politically illiberal environment (Chan & Zhao, 2016; Wallace, 2016). For instance, in the absence of a genuine election, autocrats have incentives to pay attention to a few powerful elites (the selectorate) only (Bueno de Mesquita et al., 2003; Manion, 2017). The selectorate has a more homogenous interest than the public. The selectorate theory implies that information exchange is limited in authoritarian regimes.

In addition, in order to maintain the regime stability, autocrats suppress information by repressing the media (Stockmann & Gallagher, 2011) and social contentions (Fu, 2017). Ironically, however, as the media and public express less about their concerns and discontents, the autocrats receive fewer policy-relevant information and are more reluctant to make policy change (Chan & Zhao, 2016).

To minimize the unfavourable outcomes due to the lack of supply of policy-relevant information, some autocrats seek independent, credible and diversified information sources that can improve their policymaking and governance (Dickson, 2016). That requires the liberalization of the information environment and allowing truly independent information and opinions to flow relatively freely within the region. For instance, Egorov, Guriev, and Sonin (2009) found that autocrats in countries with poorer natural resources tend to liberalize its media environment so that the autocrats and the bureaucrats can receive an independent source of information from free media. Alternatively, autocrats obtain key and diverse information for policymaking through the

establishment of elections, legislatures and other forms of consultative institutions that are not normally achieved without liberalizing the regime to some degree (Miller, 2015; Truex, 2016).

When regimes liberalize, the number of political parties increases. As such, autocrats receive more policy-relevant information from these parties. The first notable explanation is the representation of interests. A greater number of elected lawmakers from different political parties in authoritarian legislature represent more diverse constituencies. Motivated by the incentive of re-election, elected political parties in authoritarian legislatures are more likely to represent the interests and expectations of their constituencies (Manion, 2017; Truex, 2016). If autocrats propose policies that could harm the interests of members of the constituencies, their representatives are likely to speak up, ask for major amendments or reject these policy proposals in order to protect their interests. Therefore, driven by representation to more diverse constituencies, autocrats' issue diversity of the policy agenda is likely to increase.

The second explanation is a greater number of political parties brings in more diverse political stances and socio-economic backgrounds. These wider backgrounds lead to the production of more diverse policy agenda and vice-versa. For example, Greene and O'Brien (2016) found that more female lawmakers in the legislature would lead to a greater issue diversity of the policy agenda and more left-leaning policies. Tam (2017) found that female lawmakers and liberal lawmakers are more likely to represent women's interests. Political parties from more diverse socio-economic backgrounds, political ideologies and experiences provide more diverse information to policymakers and thus government produces policies that address a wider spread of issues (i.e. a more diverse policy agenda).

The third explanation is about problem definition (Kingdon, 1984). Because of electoral incentives, a greater number of political parties are more likely to present and advocate their problems to the policymakers. For example, political parties in the labour sectors are more likely to voice out problems related to employment, working conditions and labour welfares. Yet, the more problem the policymakers look at, the more problems they shall discover (Baumgartner & Jones, 2015, pt. 1), and therefore the autocrats end up having to deal with a wider range of issues. The government thus have to seek for opinions and solutions on more diverse issues from different government agencies (Alexander et al., 2011), consultative committees and experts (e.g., scientists and economists) (Wilkinson, Lowe, & Donaldson, 2010). Because of greater freedom of speech and association, independent think tanks, non-governmental organizations, the media and citizens also have greater freedom and capacity to generate more policy-relevant reports to evaluate and monitor government's performance and identify policy problems.

In this way, autocrats face an increased quantity of information and informational diversity as the regimes liberalize. This, in theory, should result in a more diverse policy agenda with the attention of government having to be spread across a wider range of policy areas. It contradicts the bargaining perspective and results in a greater issue diversity of the policy agenda.

A hybrid theory

This article argues that the effects of the two competing processes—the bargaining process and information exchange process—on issue diversity of the policy agenda are not mutually exclusive. The two effects could have different degrees of impacts when the partisan composition of the legislature varies. Before the start of the political liberalization, a single political party (or single party dominant system) in authoritarian regimes provides a narrower scope of policy-relevant information to the governments. The level of issue diversity of the

policy agenda is thus lower. As regimes liberalize, the political systems change from a single party system to a multiple party system. The level of information exchange thus increases. In this process, governments benefit from receiving a greater amount of policy-relevant information from a wider range of perspectives and political ideologies. This pushes governments to allocate attention to a wider range of policy issues. However, one additional political party provide less new information as the total number of political parties increases. As a result, the marginal benefit of information exchange would be smaller when the number of political parties increases.

On the other hand, the increasing number of political parties increases the marginal bargaining cost—more parties involved would make the bargaining process more difficult—and as dictated by the bargaining hypothesis, it reduces issue diversity of the policy agenda. As the marginal effect of information exchange diminishes and the marginal effect of the bargaining cost magnifies, it is expected that the two effects cancel each other and reach an equilibrium point, thus resulting in a maximum level of issue diversity of the policy agenda.

Beyond the equilibrium, the marginal bargaining cost outweighs the marginal benefit of the information exchange. A very large number of political parties increases bargaining costs and thus reduces the number of policies produced. Lower policy outputs constrain the total size of the policy agenda space. Because of the confined agenda space, governments have to be strategic on the allocation of their political attention, and prioritize a narrower scope of policies (Jennings et al., 2011). Thus, issue diversity of the policy agenda declines as the number of political parties further increases. Therefore, by combining the insights of information exchange and bargaining cost perspectives, a hybrid model of the two countervailing processes predicts a negative quadratic (inverted-U) relationship between the number of political parties and issue diversity of the policy agenda. The hypothesis, therefore, states that:

H₁ (hybrid hypothesis): There is a negative quadratic (inverted-U) relationship between the number of political parties and issue diversity of the policy agenda.

Policymaking and political liberalization in Hong Kong

In Hong Kong, to make law, it requires support from the simple majority in the legislature. Over the horizon of this study, the Hong Kong Government mostly dominated the lawmaking process (Lam, 2005). However, the process of political liberalization created an interesting dynamic to the lawmaking process in Hong Kong.

Under the British rule before 1997, the Hong Kong Government “was effectively dictatorial, enabling the [G]overnor to exercise absolute control over the legislature” (Lam & Chan, 2015, p. 553). The executive (called Governor under the British rule) had the power to appoint all lawmakers to LegCo—it includes the official members (i.e., the senior officials of the Government) and unofficial members (i.e., business and social elites). As such, LegCo was regarded as “yes-men” (Miners, 1994, p. 224) which suggests the legislature as a rubber stamp and political information presented to the Government was not very diverse. While different opinions existed in the assembly, the Hong Kong Government was never publicly seen to be defeated before 1985, because the Governor could instruct the official members to abstain from the voting (Miners, 1994, p. 226). Before 1985, LegCo was basically controlled by the Government and the bargaining process was smooth.

In 1985, elections were introduced in Hong Kong, composing of functional constituencies—the professional and business interests—and electoral college—elected by members of municipal and district councils who are directly elected by the public. These non-directly elected members, accounting for over 40 per cent of all lawmakers in the LegCo between 1985 and 1991, joined the appointed members to scrutinize government bills. The electoral change also changed the composition of the legislature. Although lawmakers were observed to be more active in terms of speech and questions, there were only minor amendments and clarification in the contents of the bills (Miners, 1994, p. 230).

The first direct election took place in 1991. The electoral college was abolished in the same year and replaced by geographical constituencies by direct election from the public. The proportion of elected members (versus appointed members) then increased to over 60 per cent from 1991. In 1995, appointed seats in LegCo were totally abolished and all members of LegCo are then directly elected by the electorates either in functional constituencies or geographical constituencies from 1995 onwards¹. The system remains the same today. To summarize the regime change between 1975 and 2016, figure 1 represents the degree of political liberalization of

¹ Even though both functional constituencies and geographical constituencies are directly elected by the electorates. The formation of electorates in these two constituencies is very different. As mentioned, electorates in geographical constituencies are the citizens in the corresponding geographical area with each person casting one vote. In functional constituencies, electorates vary and are decided by the sectorial interests. Some electorates are individuals (e.g., social workers and teachers). Some other electorates are corporates (e.g., insurance and accounting).

Hong Kong as reflected by the proportion of elected members (versus appointed members) in LegCo.

After the introduction of direct election, the lawmakers became more active inside and outside the legislature. As mentioned, the lawmakers questioned the Government and the bills more frequently (Gu, 2015). Some lawmakers, particularly the political opposition, were also active participants in various street demonstrations and protests (Ma, 2007). These represent more diverse political signals available to the Government. The lawmaking process, after the introduction of the direct election, was still dominated by the Government (Lam, 2005).

However, the Government also faced unprecedented challenges. The national security legislation in 2003 presented a classic case study of how the Hong Kong Government lost the control of the lawmaking process. Ma (2005) argues that the mass protest against the national security legislation created an internal split of the governing elites as they feared subsequent defeats in the next election. Tam (2017) found that the introduction of elections increases the number of female lawmakers in LegCo and they are more vocal on women's interests. As such, in line with the hybrid theory, the introduction of elections changed the behaviours of lawmakers and thus increased the information exchange as well as bargaining costs in the lawmaking process.

[Figure 1 here]

Data

Hong Kong's legislative bills

The unique case of Hong Kong offers a theoretically valuable contribution to the understanding of policymaking during a period of political liberalization. There is a number of reasons for this. First, Hong Kong's gradual, and often embattled, political liberalization process started in 1985 and is still ongoing (Ma, 2007). The lengthy process of political liberalization allows political scientists to observe its dynamics and effects in greater details than a sharp transition that occurred in other cases such as the Czech Republic after the Velvet Revolution and the Spain transition in the late 1970s.

Second, Baumgartner et al. (2017) have expressed concern over the data quality and accuracy of the reported budgetary data in authoritarian regimes because autocrats may falsify the budgets. The use of bill data could have a similar concern. However, the legislature and lawmaking process in authoritarian regimes are usually under the spotlights and thus are more transparent. Unlike budgetary data, the legislature has less incentive to cover the introduction of a certain bill or distort its details. Also, Hong Kong LegCo's legislative activities are well documented and recorded by the authority. This provides high-quality and reliable data for systematic examination.

Third, unlike many authoritarian regimes, Hong Kong has experienced a long period of press freedom and civil liberty since the colonial era. This provides more open and transparent information for rulers to make policies than many other autocrats. The implication is that the level of information supply from the press and civil society is a stably high over the period of study. As such, an advantage of studying the case of Hong Kong is that one can focus only on the

change of information provision as observed from the liberalization of the political systems, while avoiding the confounding effect of information provision from the liberalizing media and civil society that are likely observed in other liberalizing regimes.

With all these reasons, Hong Kong is a unique and important case for examining the effect of political liberalization in a setting with stably high level of information supply from the media and civil society during the period.

To test the hypothesis, this paper uses a novel dataset of Hong Kong's legislative bills between August 1975 and July 2016 in which Hong Kong had experienced a gradual process of political liberalization from 1985. The novel dataset of legislative bills was scraped from the LegCo website <http://legco.gov.hk/> under the Bill Database section. The total number of bills scraped was 2,645 during that period. The website contains both English and Chinese versions of the bills with the key information such as the bill title, first to third reading dates and the proposer of the bill. The bill dataset was scraped and processed by R on 4 Oct 2016 (for web scraping using R, see Munzert, Ruoba, Meiboner, and Nyhuis (2014)). In principle, all URLs of the bills were obtained first. With a full list of URLs, all bill information was retrieved and assembled into a long data format. The whole process takes about 1 hour on a normal laptop with normal internet speed.

The policy contents of the legislative bills are coded according to the policy content coding system of the Comparative Agendas Project (CAP) <http://www.comparativeagendas.net/> with slight revisions to adapt to the unique context of Hong Kong. The original CAP coding system contains 21 major areas of public policy (e.g., health, energy, transport) and has been applied to 23 national, supranational and subnational states such as the US, the UK, Canada,

Italy, Belgium, Netherland and Hong Kong. Hong Kong experienced a sovereignty transfer from the UK to China in 1997. Therefore, following Lam and Chan's (2015) codebook, topic number 32 "Relationship with the sovereign and related constitutional matters" is created to record any legislative bills that are related to the adaptation of colonial laws to the Basic Law. As such, the coding system for Hong Kong legislative bills contains 22 major topics instead of 21 topics in CAP. Table 1 lists out the 22 policy areas and the corresponding number of laws in each policy area between 1975 and 2016.

[Table 1 here]

Issue diversity of the policy agenda

The concept of issue diversity of the policy agenda is operationalized as the distribution of policy output across policy topics. Following the recommendation by Boydstun, Bevan, and Thomas (2014), this study uses Shannon's H to measure issue diversity, which is defined as:

$$Issue\ Diversity = -\sum(p(x_i)) \times \ln(p(x_i))$$

where x_i represents a policy topic. $p(x_i)$ is the proportion of total bills in policy topic x_i . $\ln(p(x_i))$ is the natural log of $p(x_i)$. A greater value of Shannon's H represents a greater issue diversity, and vice versa. Between 1975 and 2016, the mean value of issue diversity is 2.3300. The standard deviation is 0.1902.

Effective number of political parties

The number of political parties is measured by Laakso and Taagepera's (1979) effective number of political parties (ENPP) and the incomplete data is adjusted according to Taagepera

(1997). ENPP represents the total number of influential political parties as measured by either vote share or seat share in a legislature. It is also a common measurement of party fragmentation in political science literature (e.g., Grofman & Kline, 2012; Maeda, 2015). ENPP represents the number of sizable political parties in the legislature and is a good indication of the partisan composition in the legislature. When the ENPP equals to about one, the political system is typically labelled as a one-party system or one-party-dominant system (e.g., mainland China and Singapore). By the same token, when ENPP equals to about two, it means that two comparable parties exist and compete in the political system (e.g., the US and the UK). Greater ENPP implies more equally sizable political parties participate in the political system.

Figure 2 shows the adjusted and unadjusted ENPP between 1975 and 2016. The dashed line and dotted line represent the upper and lower bounds of ENPP by assuming that political parties or candidates that are coded as “others” or “no political affiliation” demonstrate extreme fragmentation and extreme united respectively. The solid line represents the adjusted value of ENPP based on the mentioned rules according to the ideology of political parties or candidates that are coded as “others” or “no political affiliation”.

After adjustment, in general, the ENPP of Hong Kong LegCo goes upward over time. It was at 1 from 1975 to 1985 because all lawmakers were appointed. When indirect elections were introduced subsequently, the ENPP went upward to about 2.72 from 1985 and 2.83 from 1988. When the direct election was introduced in 1991, ENPP jumped to 5.01 and further jumped to over 6 from 1995. Between 2004 and 2008, it further increased to 8.41. It lowered to 7.26 between 2008 and 2012 and jumped to 10.84 from 2012 to 2016. Between 1975 and 2016, the mean value of the effective number of political parties is 5.1769. The standard deviation is at 3.2244.

[Figure 2 here]

Results

How do autocrats allocate their attention and how does issue diversity of the policy agenda change over time during a period of political liberalization? This paper answers these questions by using the time-series data of LegCo's legislative bills between 1975 and 2016. Issue diversity of the policy agenda is measured by Shannon's H as recommended by Boydston et al. (2014). When the score of issue diversity of the policy agenda is zero, it means that the attention is concentrated on a single topic out of the twenty-two possible topics. The maximum score of the issue diversity across twenty-two possible policy topic is $\ln(22) = 3.0910$. Different values of the issue diversity show the variation in attention to a range of possible policy topics over time. This section first provides some visual inspection and later conducts a more rigorous time-series analysis.

Figure 3 shows the relationship between the number of political parties and issue diversity of the policy agenda. This figure shows a marginal upward trend in the issue diversity when the number of political parties was smaller than 3 (in and before 1990). When the party fragmentation is greater than 3 (after 1990), any additional increase in the number of political parties reduces issue diversity of the policy agenda. The general pattern is a negative quadratic relationship and can be fitted in an inverted-U curve as shown in figure 3. It provides support to H_1 .

[Figure 3 here]

Time series regression analysis

To conduct a more rigorous test of H_1 with time-series data, an autoregressive distributed-lag (ADL) model is applied. The merit of the ADL model is that it can account for the autoregressive effect of the lagged values of the dependent variable commonly presented in time-series data. A full model for this research is represented in the following form:

$$Y_t = \alpha_0 + \alpha_1 Y_{t-1} + \beta_1 X_t + \beta_2 X_t^2 + \beta_3 C_t + \epsilon_t$$

where issue diversity of the policy agenda Y_t is a function of a linear combination of a constant term α_0 , the past values of issue diversity of the policy agenda Y_{t-1} , the number of political parties X_t and its squared term X_t^2 , and the number of laws C_t as a control variable. ϵ_t is a random shock.

As mentioned, the issue diversity is measured by the entropy of policy areas, and the number of political parties is measured by the effective number of political parties. To support H_1 , it is expected that a negative quadratic relationship exists between the number of political parties and issue diversity of the policy agenda. Therefore, β_1 is expected to be positive, and β_2 is expected to be negative. For the control variable, it is expected that a more number of laws would allow the governments to diversify the policy outputs than a lower number of laws. In addition, when a government faces more pressing problems (e.g., economic crisis), they are also more likely to focus on fewer issues. Therefore, the economy is also controlled in this model and it is measured by the GDP per capita released by Hong Kong's Census and Statistics Department.

Hellwig (2012) and Bevan and Greene (2018) found that the effect of the economy is conditional on party transition. This study uses the number of years after the personnel change in LegCo to replace the party transition because there were no elections but only personnel change by appointment between 1975 and 1985. The Governors increased the size of LegCo in 1976, 1980, 1983 and 1984, before the election started in 1985. The interaction between the economy and the years after the personnel change is also included as a control variable. An augmented Dickey-Fuller test shows co-integration does not exist and thus the autoregressive distributed-lag model is appropriate.

Table 2 shows the results of the time-series analysis with different autoregressive distributed-lag models based on the full model described above. Model 1 and 2 are the linear model of the number of political parties. Model 2 further adds the number of laws and the interaction between the economy and years after personnel change as a control variable. Model 3 to 5 are a non-linear model with the squared term of the number of political parties. Model 4 added the number of laws as control and model 5 is the full model described in the formula.

[Table 2 here]

Model 1 and 2 test the linear effect of the number of political parties on issue diversity of the policy agenda. The linear term of the number of political parties is significant ($\beta_1 = -0.019$, $p < .05$) and is negatively associated with issue diversity of the policy agenda. However, after controlling for the number of laws, economy and the years after the personnel change, model 2

shows that the linear term of the number of political parties is not significant at all conventional level of significance. It clearly shows that a greater number of political parties has no linear effect on issue diversity of the policy agenda in the presence of control variables.

Model 3 to 5 test the non-linear effect of the number of political parties on issue diversity of the policy agenda. Model 3 shows that the negative quadratic effect is significant ($\beta_1 = .056$, $p < .1$ and $\beta_2 = -.007$, $p < .05$). Model 4, after controlling for the effect of the number of laws, shows that the negative quadratic effect is also significant ($\beta_1 = .061$, $p < .05$ and $\beta_2 = -.007$, $p < .05$). Model 5 shows the negative quadratic relationship is still robust but is only significant at 10% level of significance ($\beta_1 = .068$, $p < .1$ and $\beta_2 = -.007$, $p < .1$), after controlling for the effects of the number of laws, economy and years after personnel change. It provides strong evidence to support H_1 : there is a negative quadratic relationship between the number of political parties and issue diversity of the policy agenda. Using the Akaike information criterion (AIC) and Bayesian information criterion (BIC), the results show that model 5 has the lowest value of AIC and BIC compared to the other four models. Thus, model 5 should be selected.

Figure 4 shows the marginal-effect plot of model 5. It shows the marginal effect of the number of political parties, as a quadratic polynomial, on issue diversity of the policy agenda, after controlling for the number of laws, economy and years after personnel change. It represents how each unit change of the number of political parties have different effects on issue diversity of the policy agenda. Figure 4 shows a negative slope and the marginal effect declines as the number of political parties increases. The marginal effect is positive when the number of political parties is less than 4.5 and is negative beyond that point. It means that the issue diversity expands when the number of political parties is less than 4.5 and shrinks when it is greater than 4.5. This again provides clear evidence to show a negative-quadratic relationship between the number of

political parties and issue diversity of the policy agenda as stated in H_1 . The marginal benefit of information exchange diminishes, and the marginal bargaining costs magnify as the number of the political parties increases in liberalizing regimes.

[Figure 4 here]

Discussion and conclusion

The question of how autocrats allocate their political attention and change their issue diversity of the policy agenda during a period of gradual political liberalization is a fundamental and important question to the study of public administration and policy. Extant studies on issue diversity of the policy agenda focus on advanced democracies (Greene, 2016; Jennings et al., 2011). The effect of regime transition is understudied. Similarly, the Comparative Agendas Project (CAP) is mostly featured in advanced democracies such as the US, the UK, Germany, Italy, and Canada. There are, however, only a few studies that examine policy agendas in non-democratic regimes (Baumgartner et al., 2017; Chan & Zhao, 2016; Lam & Chan, 2015; Sebők & Berki, 2018). Baumgartner et al. (2017) have recently called for more studies to examine authoritarian regimes using the CAP system. This research responds to this gap by taking advantage of Hong Kong's unique path of prolonged democratization, in which Hong Kong offers an important opportunity to observe the effect of political liberalization on issue diversity of the policy agenda. In addition, this study is also the first of its kind to use legislative bills to study autocratic policymaking while the existing studies primarily use budget data. As such, it

contributes to the comparative studies of policy agendas and extends the CAP coding systems to more non-democratic systems.

The main contribution of this study is to provide a refined way of thinking by theorizing and examining a new hybrid model. It challenges the perspective offered by Lam and Chan (2015), Baumgartner et al. (2017) and Sebők and Berki (2018) that put the two processes as competing hypotheses. By drawing theories in regime transition, party politics and public policy (Baumgartner et al., 2013; Bueno de Mesquita et al., 2003; Cox & McCubbins, 2005; de Marchi & Laver, forthcoming; Eguia & Shepsle, 2015; Mayhew, 1991; Wahman, 2011), it advances our understanding of how the regime transition and the corresponding change in partisan composition of the legislature influence issue diversity of the policy agenda. It highlights how the bargaining and information exchange complementary to each other during a period of political liberalization. As regime liberalizes, the number of political parties in the legislature increases and it changes the partisan composition of the legislature. The change in electoral systems and the corresponding changes in the partisan composition of the legislature represent the duality of bargaining and information exchange processes—they are both the source of bargaining and the source of information exchange. The increased number of political parties, in turn, increases both the level of information exchange and bargaining costs for policymaking. The hybrid theory argues that, in liberalizing regimes, an increase in the number of political parties diminishes the marginal benefit of the information exchange supplied by the lawmakers but at the same time magnifies the marginal bargaining costs. As such, as regime liberalizes, an increase in the number of political parties have a negative quadratic (inverted-U) relationship with issue diversity of the policy agenda.

Analyzing a unique and novel time-series dataset of legislative bills from Hong Kong's LegCo, the finding shows an unambiguous support to the hybrid theory—as regime liberalizes, an increase in the number of political parties have a negative quadratic (inverted-U) relationship with issue diversity of the policy agenda (H_1), after controlling for the effects of the number of laws, the economy and the years after personnel change in LegCo. The empirical evidence shows that the two competing processes—information exchange and bargaining—both take place together at different rates as the number of political parties varies. A small but increasing number of political parties, as seen from the initial liberalizing period 1975 to 1995, increases issue diversity of the policy agenda. A large but increasing number of political parties in the subsequent period shrinks issue diversity of the policy agenda. The novel dataset will facilitate more future comparative studies.

Future research related to the debate of the policy agenda and comparative public policy needs to put the hybrid theory and the empirical finding presented here in a broader context. The bargaining and information exchange processes in policymaking have to be properly addressed. This study offers important theoretical and empirical insights to future comparative studies that examine the effect of political liberalization at a greater scale. The extension of the CAP coding systems to more non-democratic countries will offer a promising research agenda.

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Tables

Table 1: Comparative Agendas Project codebook major topics and the number of laws between 1975 and 2016.

Topic Number	Topic Names	Number of laws
1	Macroeconomics	314
2	Civil Rights	22
3	Health	161
4	Agriculture	30
5	Labour	177
6	Education	78
7	Environment	71
8	Energy	14
9	Immigration	60
10	Transportation	237
12	Law and Crime	448
13	Social Welfare	57
14	Housing	109
15	Domestic Commerce	390
16	Defense	9
17	Technology	49
18	Foreign Trade	69
19	International Affairs	9
20	Government Operations	196
21	Public Lands	67
23	Culture	8
32	Sovereignty and Constitutional Affairs	70

Table 2: Time-series autoregressive distributed-lag model of issue diversity of the policy agenda.

	Issue Diversity of the Policy Agenda				
	(1)	(2)	(3)	(4)	(5)
Issue Diversity (lag 1)	0.165 (0.208)	0.049 (0.207)	-0.033 (0.186)	-0.123 (0.177)	-0.092 (0.194)
Number of Political Parties	-0.019* (0.009)	-0.009 (0.015)	0.056† (0.032)	0.061* (0.030)	0.068† (0.040)
Number of Political Parties (squared)			-0.007* (0.003)	-0.007* (0.003)	-0.007† (0.004)
Number of Laws		0.002 (0.002)		0.002 (0.002)	0.002 (0.002)
Economy		-0.006 (0.008)			-0.001 (0.008)
Years after Seat Change		-0.029 (0.049)			-0.034 (0.045)
Economy × Years after Seat Change		0.004 (0.003)			0.004 (0.003)
Constant	2.039*** (0.502)	2.177*** (0.486)	2.388*** (0.442)	2.412*** (0.453)	2.369*** (0.438)
N	40	40	40	40	40
R ²	0.164	0.281	0.272	0.332	0.362
Adjusted R ²	0.119	0.151	0.211	0.255	0.222

Note: Entries represent unstandardized coefficients with robust standard errors in parentheses.

Significance levels: ***p < .001; **p < .01; *p < .05; †p < .1

Figure legends:

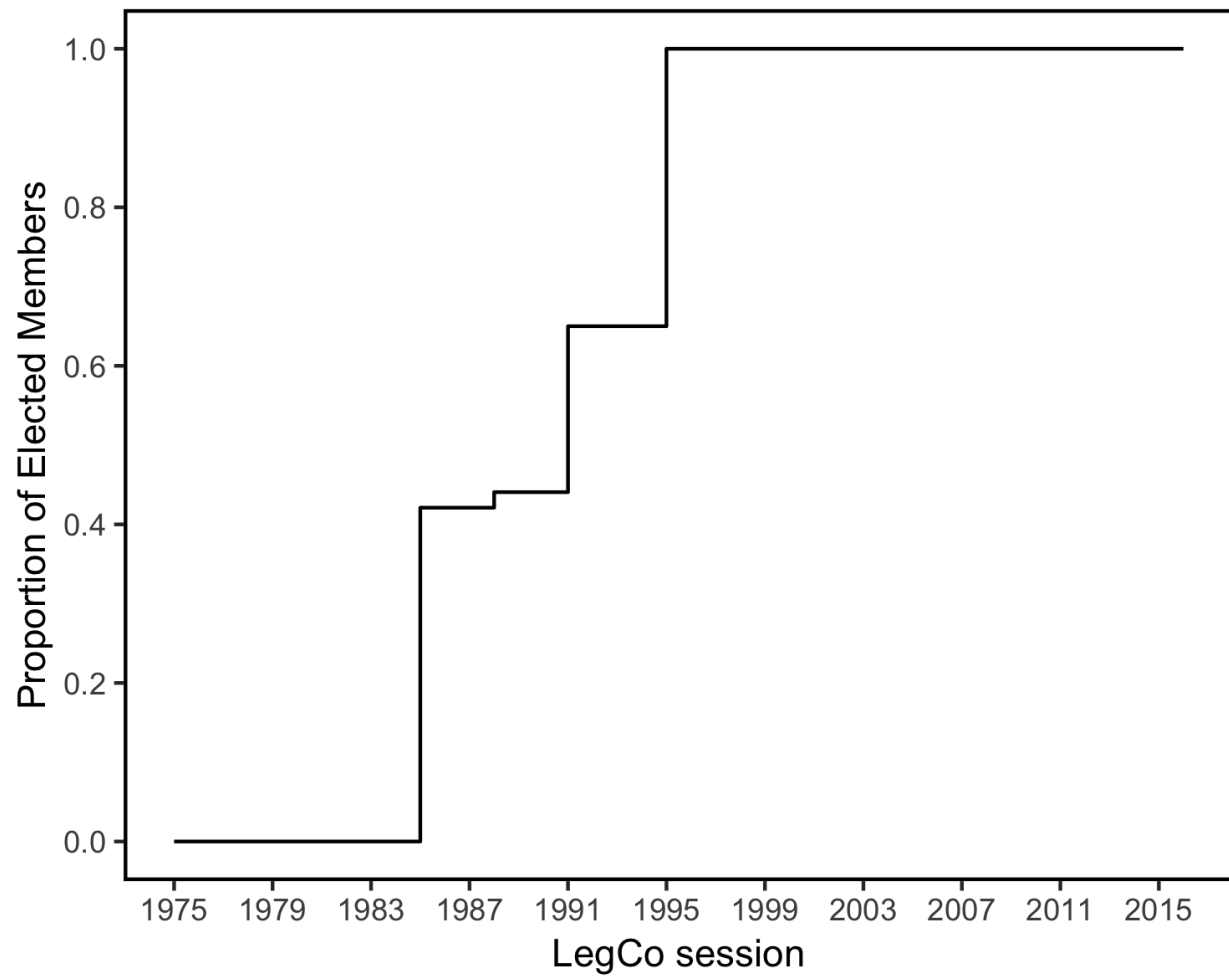


Figure 1: Degree of political liberalization as the proportion of elected members in the Hong Kong Legislative Council from 1975 to 2016.

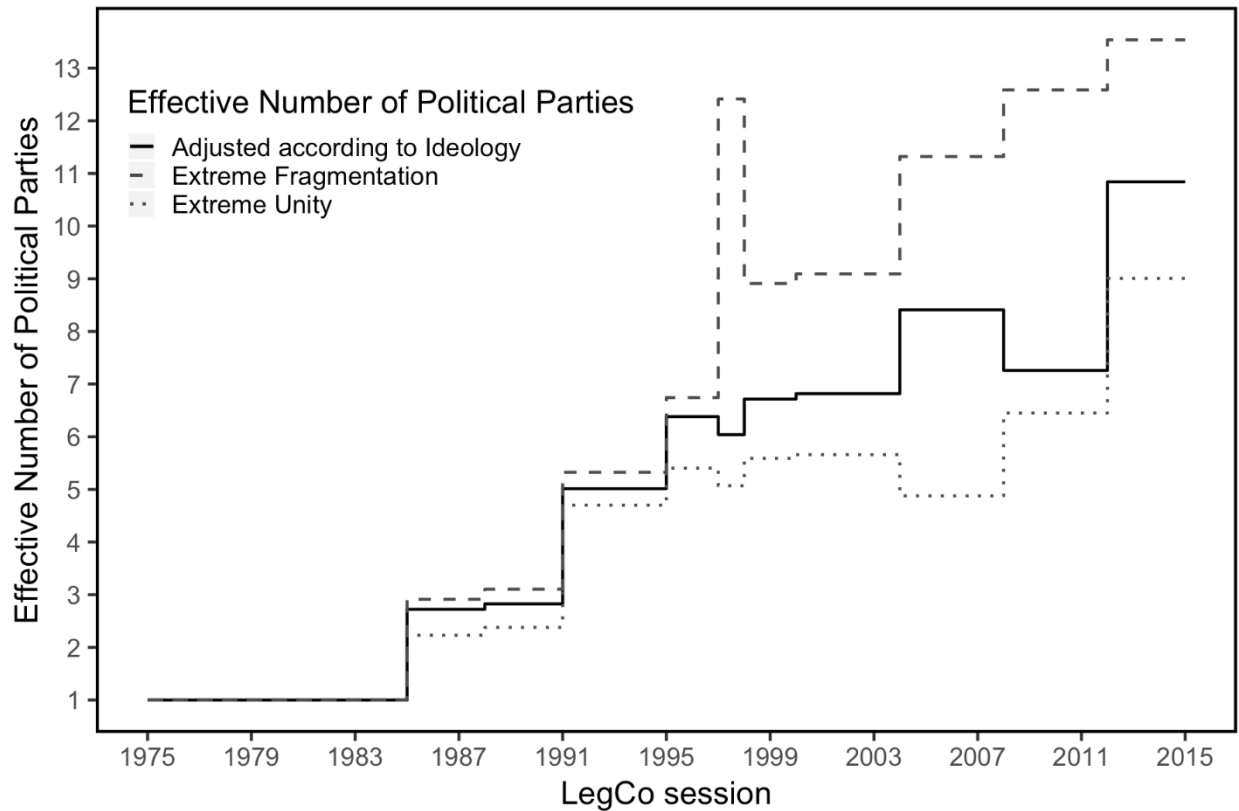


Figure 2: The number of political parties as measured by the effective number of political parties (ENPP) between 1975 and 2016. The dashed line and dotted line represent the upper and lower bounds of ENPP by assuming political parties or candidates that coded as 'others' or 'no political affiliation' demonstrate extreme fragmentation and extreme united correspondingly. The solid line represents the adjusted value according to the ideology of political parties or candidates that coded as 'others' or 'no political affiliation'.

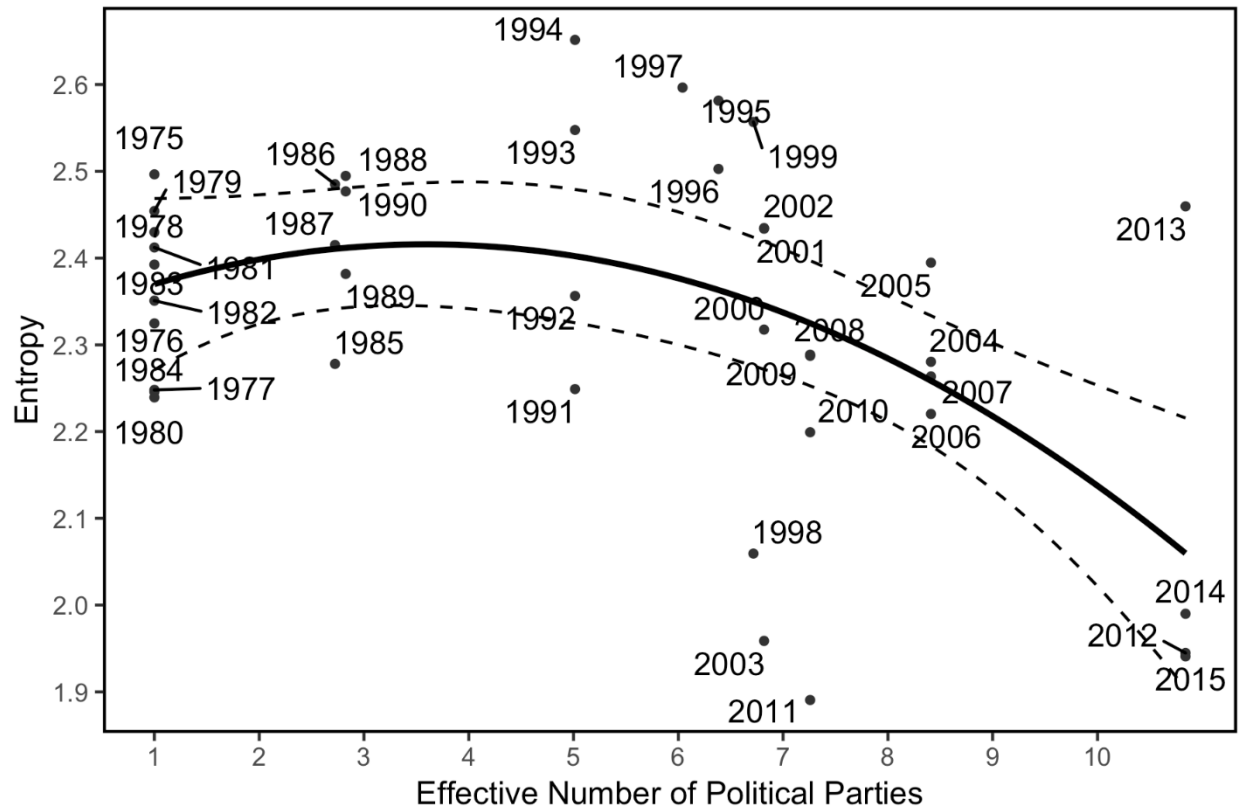


Figure 3: A negative quadratic (inverted-U) relationship between issue diversity and party fragmentation.

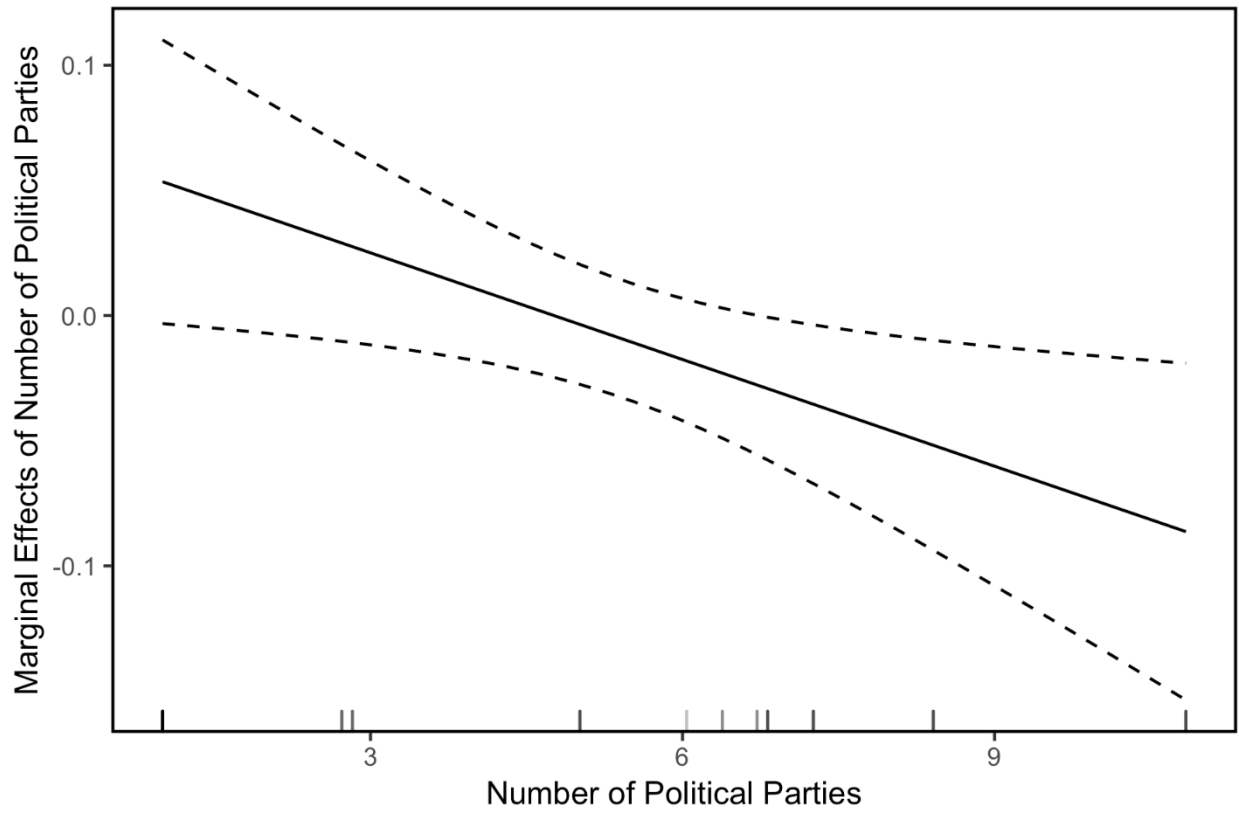


Figure 4: Marginal effects of the number of political parties at the 90% confidence interval.